Analysis and Preparation of Financial Statements of Avarthana Group

Author-1

Puneeth H B
Student, B.Com Honours, Department of Commerce,
Manipal University Jaipur, Jaipur.
Email Id- puneeth.200903006@muj.manipal.edu

Author-2

Dr. Gaurav Lodha

Associate Professor, Department of Commerce,
Manipal University Jaipur, Jaipur.
Email Id- gaurav.lodha@jaipur.manipal.edu
*Corresponding Author

INTRODUCTION

The Avarthana Group was established in 2020 as a start-up, dealing mainly with outsourcing business. It has a headquarters in Mandya, Karnataka. The founder started the company with the aim to provide top-quality services to his clients across Karnataka. The founding team is a family full of highly educated and experienced professionals. From Software development to manufacturing of Kashayam powder, the company is involved in many activities of manufacturing as well as providing services. Most of the clients are based in Karnataka with a few of them spread across India.

Position in Industry

The company is new to the market. Mandya is a small district with a population of fewer than 1.32 Lakhs. The business is still in the early growth stage, hence it belongs to a fast-growing early-stage start-up. Outsourcing is an informal sector here, hence determining the exact number of competitors is quite tough. Although for a few products/services we provide, fewer competitors exist in Mandya. For software and app development, hardly 3 companies exist and for Kashayam powder, no competitors in Mandya. But few manufacturers within Karnataka are giving direct competition.

Types of services/products given/produced

1) Kashayam Powder:

Specialty	No artificial colors, Organic, No Preservatives
Weight	150 Grams
Ingredient Type	Vegetarian
Brand	Avarthana
Item Package Quantity	1
Certification	India Organics Certified
Form	Ground
Manufacturer	Avarthana Group
Item part number	Dhatu_06
Net Quantity	150 gram
Product Dimensions	14 x 4 x 20 cm; 150 Grams
Ingredients	Coriander Seeds, Cumin, Pepper, Dry ginger powder, Cloves, Cinnamon, Cardamom, Fennel seeds

2) Software Development

The goal of custom software development services for startups is to turn concepts into successful, scalable, dependable, and market-ready solutions. Entrepreneurs and startups can overcome their difficulties. With adaptable engagement models, the company assists clients in reducing time to market, provides excellent Proof-Of-Concept and MVP solutions quickly and within budget, creates new product features, and supports and maintains the application.

3) Web Development

Once prepared, business logic can power web applications, mobile versions and even support wearable devices like watches by sharing and synchronizing critical data across cloud API.

- Product Designer

- Frontend Developer

- Backend Developer

- QA

- Scrum Master

4) App Development

It covers:

- Native Application

- Cross-Platform Application

5) Outsourcing

It can range from photography and videography to government plantation projects. Company derives most of its revenue from this activity.

Client Source:

- Private Company

- Government Company

- Freelancer

Mission Statement and Aim of The Company

The company always believes in the customer first and the client's satisfaction is the most important factor to determine the success of a project.

The main aim of the company is to assist clients with all their problems and ease their lifestyles. The company is also aiming to become a market leader in outsourcing business in Mandya within the next 3 years.

Policy

1.   The   roles, obligations and obligations suitable in   your designation   or   your internship, can be particular via way of means of Company from time to time. Company can also additionally at any time, in its sole discretion, upon note to you, modify or in any other case modify

those roles, obligations and obligations.   Further,   at   any   time, you   could be required   to offer services, immediately or circuitously,   to   Company   and   its associates and their interns, contractors and customers.

2. Your period of the internship can   be noted withinside the provide letter & max four hours every day.   During   this   time, you're anticipated to commit a   while and efforts totally to Avarthana paintings. You also are required to permit your mentor know approximately coming near events (if there are any) earlier in order that your paintings can be deliberate accordingly.

3. You can   be operating remotely all   through the   internship.   There can   be   trap-ups scheduled together along with your mentor to talk about paintings development and overall internship enjoy at everyday intervals.

4. All the paintings that you'll produce at or when it comes to Avarthana can be the highbrow assets of   Avarthana   Group.   You aren't allowed   to   store,   copy, sell, share, and distribute it to a 3rd birthday celebration beneath neath any occasions. Similarly, you're anticipated to chorus from speaking approximately your paintings in public domains (each online including blogging, social networking web website online and offline   among   your   friends, university etc.) without previous dialogue and approval together along with your mentor.

5.   We   take privateness and protection very severely and hold confidentiality of any students, clients, customers, and companies' records and phone details that you could get entry to all through your internship can be your responsibility. Avarthana operates   on 0 tolerance precept in   regard   to   any   breach   of records protection guidelines. At the crowning glory of the internship you're anticipated handy over all Avarthana paintings/records saved to your Personal Computer in your mentor and delete the identical out of your machine.

6.   During   the   appointment length you   shall now   no longer interact yourselves immediately or
circuitously or   in   any ability in another organization   (aside   from your university). In the occasion of breach of this condition, this appointment is in charge to be terminated forthwith via way of means of the agency. In addition, you will be in

charge to pay liquidated damages to the Company of an volume anticipated via way of means of the Company.

7.   Under ordinary occasions both the agency or you   could terminate   this affiliation via way of means of supplying a note of 30 days with out assigning any reason. However,   the agency can   also   additionally terminate   this settlement forthwith beneath neath conditions of in-disciplinary behaviours.

8. You are anticipated to behave yourself with the utmost professionalism in dealing together along with your mentor, group participants, colleagues, customers and clients and treat all people with due respect

9.   Avarthana   Group   is   a   start-up,   and we   like people who like to head past the ordinary name of the obligation and may suppose out of the box. Surprise   us together   along   with   your passion,   intelligence,   creativity and difficult paintings – and count on appreciation & rewards to follow.

10.   Expect consistent and non-stop goal comments out of your mentor and different group participants and we inspire you to invite for and offer comments at each viable opportunity.   It's   your proper to obtain and provide comments – that is the ONLY manner all of us can constantly push ourselves to do better.

11. Have amusing at what you do and do the proper thing – each the standards are centre of what   Avarthana   Group   stands   for   and   we count   on you   to   imbibe   them on   your daily moves and constantly task us   if we're falling quick of expectancies on both of them.

12. This will be an unpaid internship.
13. You will receive a certificate of completion of the internship at the end of your internship period.

14. As per the management's discretion you stand an opportunity to receive a letter of recommendation if your performance throughout the internship stays praiseworthy.

15. You stand an opportunity to receive a Pre-Placement Offer subject to your overall performance and management's discretion.

16. Avarthana Group reserves the right to change the policies or terms of the agreement at any point in time and the decision will be binding on the candidate.

17. The Tenure of the internship can be increased or decreased upon mutual consent of both the candidate and the Avarthana Group management.

18. You will always abide by the company policy for throughout your tenure with the organization.

Departments and Functions of Each Department

1. Kashayam Department

Here, a small team of 4 employees are involved in the end-to-end manufacturing of kashayam powder. Since, all the materials used are herbal. It's quite simple to make and pack it.

2. Technology Department

Here, 3 highly skilled professionals take care of complete technological solutions for the client.

The main products are

- Software Development

- App Development

- Website Development

3. Outsourcing Department

Since, this requires reaching out to clients directly and sourcing projects from both private and government organisations. The founding team of the Avarthana group takes responsibility for this department.

Note: Since it's a small venture, there isn't a separate team of sales and marketing or finance or operations.

Organisational Hierarchy
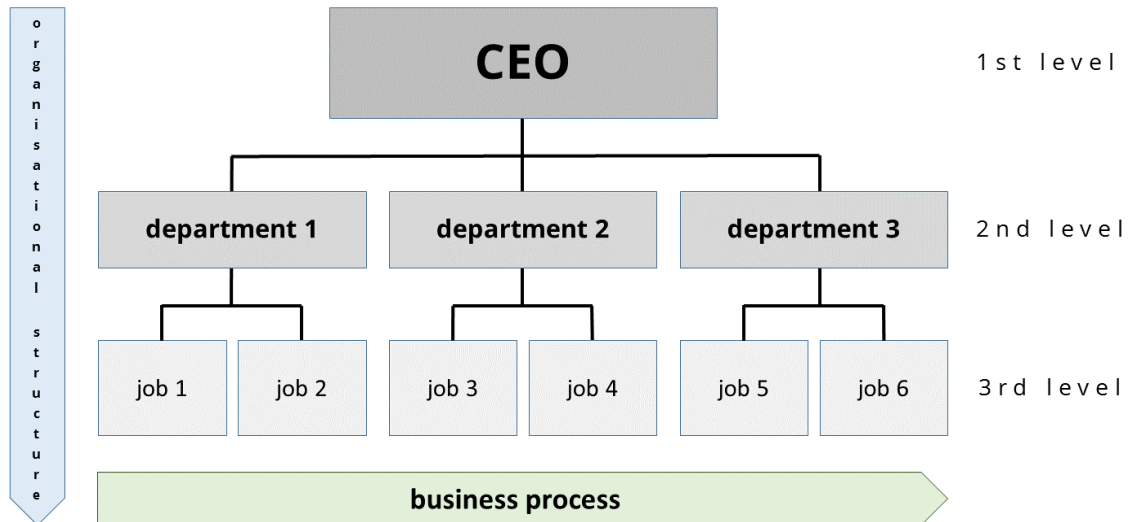
Key Personnel

Mihir Akash: CEO and Founder of Avarthana Group

The software that the company uses to record and analyse financial statements are Tally ERP 9 and Microsoft Excel. Detailed description about the Tally ERP 9 and Microsoft Excel are given below.

Microsoft Excel

Microsoft's Excel spreadsheet programme is a part of the Office family of business software programmes. Users of Microsoft Excel may format, arrange, and compute data in a spreadsheet.

In 1985, Microsoft introduced Excel as Microsoft Multiplan. At the time, Microsoft's spreadsheet programme competed against other comparable products including Lotus 1-2-3 from the Lotus Development Corp.

When competing with Lotus 1-2-3 on Microsoft Disk Operating System (MS-DOS) platforms, Multiplan initially lost appeal. Microsoft unveiled Excel 2.0 in 1987, two years after the program's debut. By 1988, Lotus 1-2-3 and other comparable spreadsheet programmes were being outsold by this new version, which was now running on Windows platforms.

Version 3 of Excel, which included toolbars, 3D charts, drawing and outlining tools, and other features, was published by Microsoft in 1990. Two years later, version 4, which

included the auto-fill feature, was released. Version 5 of Excel was made available in 1993. This version allowed for the automation of routine activities with Visual Basic for Applications macros.

Version 12 of Excel, which was published in 2007, was one of the following significant improvements. The new Ribbon menu system was used in this release. A SmartArt collection of diagrams, better named variable management, and increased formatting flexibility were some of the capabilities that were improved.

One of the most widely used spreadsheet programmes is Microsoft Excel, which has long been used in enterprises. But Excel is now facing more competition as alternative spreadsheet programmes gain popularity. According to the website askwonder.com, Google Sheets is one of the 2 billion apps in the Google Suite suite that are used each month, While Microsoft Excel is thought to have between 750 million and 1.2 billion monthly users worldwide. It is challenging to determine values because Google and Microsoft don't release monthly usage data for either spreadsheet programme.

Common Excel use cases

Microsoft Excel is used by businesses for the following things:

Collection And Verification Of Business Data;

Data Analysis;

Performance Reporting;

Accounting And Budgeting;

Strategic Analysis;

Account Management;

Project Management;

Business Analysis;

Administrative And Managerial Management;

Data Entry And Storage;

Office Administration.

Uses of Microsoft Excel are

1. Data Entry and Storage

Excel is a incredible piece of software program for simple desires with regards to statistics access and storage. Excel is an exquisite device for storing a whole lot of statistics.

However, the dimensions of the excel document is restrained via way of means of the device's processing electricity and to be had memory. Excel spreadsheets generally are available desk style with 1,048,576 rows and 16,384 columns. We can utilise the statistics for a variety of factors as soon as it's been dependent in an excel document. We can carry out a wide variety of operations at the statistics the usage of a whole lot of gadgets and formulation.

In addition, Excel's Data Form function makes getting into and viewing statistics extra person-friendly. Users can create particular statistics access paperwork the usage of this in accordance with their enterprise desires. Moreover, we also can use excel to create

exceptional lists for diverse desires. For example - patron mailing list, personnel paintings reviews, personnel shift rotations, etc.

2. Performing Calculations

There are numerous integrated features and formulation in MS Excel that may be used to govern the statistics. Excel has round 450 features, all of which are as it should be organised. Financial, logical, textual content, date & time, arithmetic, and trigonometry are a number of the maximum famous features in an excel function library. The required features or formulation may be implemented to any row, column, or molecular withinside the spreadsheet. In addition to the integrated features, we may additionally expand our own formulation via way of means of the usage of macros or programming. Therefore, we do now no longer want to carry out the overall mission repeatedly. To attain the preferred results, we have to insert the suitable values after growing the specific set of features. With excel we will carry out nearly every sort of calculation (addition, subtraction, multiplication, division, etc.), and it's miles one of the pleasant use of MS Excel.

3. Data Analysis and Interpretation

MS Excel's statistics evaluation function is crucial. Data evaluation aids in decision-making for improvements. We can correctly examine the statistics and recognize the figures the usage of pivot tables and formulation as soon as the statistics has been up to date in spreadsheets. These abilities allow us to virtually pay attention on key quantities from big statistics units even as consolidate the statistics. The desk may be controlled extra methodically to perform the necessary statistics fields via way of means of the usage of functions like sort, filter, or converting out statistics segments. Additionally, we will create an interactive summarised document with clear communicable outcomes via way of means of taking a screenshot of the specific segment and attaching it to a selected place in Excel.

4. Reporting and Visualizations

Any trustworthy document may be better with charts, graphs, or different visuals to make it extra attractive and insightful. Using more than one charts to gift the outcomes in a condensed form, and that too with extra allure, is continually preferable. In a few cases, a trustworthy chart can higher bring the required outcomes than a massive desk with good sized statistics ranges. Since visualization is probably beneficial, MS Excel gives a whole lot of integrated chart layouts that we will utilise fast and efficiently. To create the particular chart in our excel document, we have to pick out the template and input the statistics. The software program additionally offers some of alternatives for growing particular patterns making use of positive colour schemes, axis values, textual content feedback, etc.

5. Accounting and Budgeting

MS Excel is the programme that account and finances managers use the maximum to hold tune in their clients. Using the trustworthy enhancing gear of the Excel software program, it is easy to organise the statistics and preserve it as much as date. Keeping statistics is one of the key obligations of account managers because it allows them to expand sturdy bonds with their clients. This sooner or later makes it viable for accounting or budgeting managers to benefit the loyalty of clients, which leads to extra repeat enterprise. Additionally, they'll virtually get entry to the facts from Excel and percentage it with others as wanted. Excel additionally has severa accounting and budgeting templates that may be used or customised to be able to boom simplicity. A few formulation or features to perform easy to state-of-the-art computations will also be covered in A few formulation or features to perform easy to state-of-the-art computations might also additionally additionally be covered in a few superior templates. Excel is a beneficial accounting and budgeting device because it allows us to fast synthesize findings in related fields.

6. Collection and Verification of Business Data

The majority of companies use diverse structures to preserve their databases and logs separately (including CRM, inventory, etc.). For specific jobs, opportunity software program can be to be had. Since MS Excel is a typically used and well-favoured device, the bulk of different enterprise software program merchandise are made to imitate its functions. Most software program permits you to export statistics for handy get entry to in Excel. Excel also can useful resource in in addition statistics manipulation, including the elimination or deletion of replica statistics. The statistics may be organised a good deal extra without problems in Excel, and well-controlled statistics can without a doubt have an effect on next analyses or outcomes. In addition, MS Excel's person interface is easy and dynamic, making it easy for customers of all talent tiers to manage. This software program is likewise very smooth to learn. Additionally, due to the fact excel reviews are so easy to disseminate, extra personnel or new supervisors can acquire the statistics. As a result, the usage of Excel makes accumulating statistics from various reassets and checking its accuracy simpler.

7. Calendars and Schedules

Vital use of excel is for growing calendars and timetables. Excel has some integrated automated gear that allow you to create succeeding dates or days withinside the proper way. We do not should manually input all the days or dates. A exquisite calendar will also be created via way of means of strategically putting dates and days in Excel's rows and columns. After the calendar has been created, we might also additionally upload schedules or

obligations for particular dates or days the usage of feedback or texts. Calendars assist companies set desires effectively. They also can use the identical worksheets or opportunity worksheets to assemble annual reviews in their enterprise procedures, relying at the significance in their statistics.

8. Administrative and Managerial Duties

The advent and renovation of numerous enterprise procedures is one of the vital additives of administrative or managerial obligations. The solution is Microsoft Excel. The programme is being utilised for extra than just bookkeeping. It facilitates with many different workplace management activities, like billing, paying bills, maintaining tabs on revenue, spending, and losses, among others. Additionally, workplace directors use MS Excel to report the statistics wanted for accounting, business enterprise evaluation, economic reviews, and personnel success reviews. Microsoft Excel is definitely an all-motive piece of software program that handles the bulk of workplace obligations for small to medium-sized companies.

9. Forecasting

In order to constantly develop and improve, companies want to set up the statistics and compare it periodically. However, it is also critical to expand an knowledge of opportunity results or conditions that would comply with from the implemented inputs. Continuous document technology can assist with destiny projections. This shows that simple assumptions may be mounted via way of means of the usage of ancient statistics. In addition, whilst we've the goal however no ancient statistics. Excel may be beneficial for finding the proper inputs for the ideal results we are hoping to attain. The function Goal Seek Analysis may be used specially to do this. Giving a appropriate goal will assist. By well giving the proper goal, we will pick out what desires to be executed for in addition steps to attain the set goal.

10. Automating Repetitive Tasks

Excel is a sturdy piece of software program with a few current abilities to make it simpler to cope with hard issues. One such device in Microsoft Excel is called "Visual Basic," which allows programmers to use state-of-the-art abilities to automate repetitive activities. Once we're familiar with MS Excel's state-of-the-art functions, we will use the Microsoft Visual Basic editor to automate the reviews. The editor mainly helps the coding language VBA (Visual Basic for Applications).

11. Goal making plans worksheet

Having goals allow you to live targeted and on course, whether or not they be on your career, your fitness, or your finances. Let's speak approximately Excel's attractiveness. You could make a whole lot of worksheets, logs, and making plans papers the usage of the utility to tune your improvement and, ideally, attain the finish line.

Task	Times/Week	S	M	T	W	T	F	S	Complete
Go for a run	2	✔		✔					Yay!
Don't Leave Dirty Dishes Overnight	2	✔			✔		✔		Yay!
Eat 1 Fruit or Vegetable	3	✔			✔	✔	✔	✔	Yay!
Floss	3	✔		✔			✔	✔	Yay!

8-3-2014

Task	Times/Week	S	M	T	W	T	F	S	Complete
Go for a run	2								0 of 2
Don't Leave Dirty Dishes Overnight	3								0 of 3
Eat 1 Fruit or Vegetable	3								0 of 3
Floss	3								0 of 3

8-10-2014

Task	Times/Week	S	M	T	W	T	F	S	Complete
Go for a run	3								0 of 3
Don't Leave Dirty Dishes Overnight	3								0 of 3
Eat 1 Fruit or Vegetable	4								0 of 4
Floss	4								0 of 4

8-17-2014

Task	Times/Week	S	M	T	W	T	F	S	Complete
Go for a run	3								0 of 3
Don't Leave Dirty Dishes Overnight	3								0 of 3
Eat 1 Fruit or Vegetable	5								0 of 5
Floss	4								0 of 4

12. Task list

Delete your traditional paper and pen to-do list. You can create a far more comprehensive work list with Excel, and you can even monitor your progress on the bigger tasks you currently have on your plate.

TASK LIST

MY TASKS	START DATE	DUE DATE	% COMPLETE	DONE	NOTES
[Task]	[Date]	[Date]	0%		
[Task]	[Date]	[Date]	50%		
[Task]	[Date]	[Date]	100%	●	

The company followed Traditional Office Layout, where enclosed office space was given to each employee. A laptop was also given for work purpose.

Job Description

1) Provide financial forecasting, reporting, and project support to senior management

2) Run cashflow weekly.

3) Develop financial models/tools that help with decision-making

4) Check and verify monthly financial reports of e-commerce platforms and payment gateways.

5) Maintain monthly accounting, vendor payment reconciliation, etc.

6) Regular check and update of monthly compliance of TDS, GST and other taxes as applicable.

7) Spearhead the annual and quarterly budgeting and forecasting processes

8) Identify opportunities for performance improvement across the organization

9) Document processes and best practices and keep abreast of new company regulations or policies

Machines and Software

Laptop

Microsoft Excel

Tally ERP 9

Learnings in the Company:

- How to put my knowledge and skills into practice.
- The benefits of networking and it is the most powerful tool in one's professional life.
- Understanding workplace culture is an important aspect. Just salary isn't the only criterion used to evaluate job opportunities.
- Taking the initiative even as an intern, go a long way to impressing seniors and in turn professional growth.
- Good communication is the key to everything.
- Whatever is done in the organisation, always take feedback. It not only helps to evaluate decisions but also aids in improving oneself.
- Asking queries is just another form of conveying to the managers that the intern is interested in the task assigned. So don't be afraid to ask one.

- Adopting a new team, an unique new working environment is something more common than expected.
- Whatever decision is taken, always have a basis for the same.
- Instead of replying no, it's better to respond with "I will get back to you soon with an update".
- Meetings, site visits and deadlines are too crucial for any employee.
- When preparing financial statements, attention to detail is a must.
- Finance department is the heart of any organisation.

References:

1. https://www.goldmansachs.com/investor-relations/financials/

2. https://corporatefinanceinstitute.com/course/financial-analysis-fundamentals/

3. https://corporatefinanceinstitute.com/resources/accounting/types-of-financial-analysis/

4. https://corporatefinanceinstitute.com/resources/accounting/analysis-of-financial-statements/

5. https://tallysolutions.com/erp-software/erp-software-advantages/

6. https://tallysolutions.com/tally/what-is-tally-erp-9-and-how-to-use-it/

7. https://support.microsoft.com/en-us/office/excel-functions-alphabetical-b3944572-255d-4efb-bb96-c6d90033e188

8. https://www.simplilearn.com/tutorials/excel-tutorial/excel-formulas